

# South Carolina Board of Economic Advisors

## Statement of Estimated State Revenue Impact

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**Date:** January 24, 2008 (As amended from RIS/01/14/08)

**Bill Number:** S. B. 971

**Author:** McConnell

**Committee Requesting Impact:** Senate Transportation

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### Bill Summary

A bill to amend Chapter 3, Title 56, Code of Laws of South Carolina, 1976, by adding Article 101 so as to provide that the Department of Motor Vehicles (DMV) may issue Veterans' license plates for individuals who served in the military and were honorably discharged.

### REVENUE IMPACT <sup>1/</sup>

This bill is expected to raise DMV earmarked funds by \$2,000 in FY 2008-09. Conversely, it would reduce funds allocated to the SHF by \$1,800 and to the SIB by \$200 in FY 2008-09. This bill would not impact state General Fund Revenue.

### Explanation

This bill authorizes DMV to issue "Veteran" special license plates for applicable vehicles registered to those veterans with verifiable service in U. S. Armed Forces or the National Guard, to include the Reserves of respective branches. An applicant must also include military documentation of an honorary discharge from service. Since the bill sets no fee, regular biennial registration fees apply under Section 56-3-8100(B) as follows: \$20 - \$24 for autos, based on age, and \$30 for light trucks.

Also under Section 56-3-8100, prerequisites for production by DMV are a minimum of 400 prepaid applications, or a deposit of \$4,000. We estimate first-year sales of 400 tags with a distribution of 360 autos and 40 light-duty trucks. Although current language does not add a "special" fee, as in current practice we expect DMV to recoup its cost. Accordingly, multiplying 400 plates by an estimated cost differential (new vs. renewal) of +\$5 per plate would raise DMV earmarked funds by a total of \$2,000 in FY 2008-09. Respective revenue allocations to the State Highway Fund (SHF) within the Department of Transportation (DOT) for autos, and to the S. C. Transportation Infrastructure Bank (SIB) for light trucks, are net of DMV's costs as applicable. Each proration would, conversely, be reduced by \$5 per plate in FY 2008-09. Thus, funds earmarked to the SHF within DOT would be reduced by a total of \$1,800 (@ \$5 times 360 autos), and to the SIB by a total of \$200 (@ \$5 times 40 trucks) in FY 2008-09. Since the General Fund receives no revenue from standard, biennial registration fees, the bill would have no impact on state General Fund revenue.

**Analyst:** Di Biase

/s/ William C. Gillespie  
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Chief Economist

<sup>1/</sup> This statement meets revenue impact requirements of Section 2-7-71 for a state impact by BEA, Section 2-7-76 for a local impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by Office of Economic Research (OER).